

Message Text

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ACTION EUR-12

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FM USMISSION USNATO
TO SECSTATE WASHDC 9632
INFO AMEMBASSY PARIS

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PARIS FOR USOECD

E. O. 11652: N/A
TAGS: AORG, NATO, OECD
SUBJECT: JANUARY 1, 1977 COST-OF-LIVING ADJUSTMENT FOR
STAFF OF COORDINATED ORGANIZATIONS

REF: (A) STATE 045269, (B) CCG/W(78)4

A. REPLYING TO REF A, PARA 3, A/B, NATO BUDGET OFFICER
ADVISED THAT AN ESTIMATED BF 6,000,000 WOULD BE REQUIRED
IF THE 20 PCT COST-OF-LIVING (COL) INDEX ADVANCE HAD
BEEN GRANTED. THIS WOULD HAVE BEEN FOR THE PERIOD
JANUARY 1 - JUNE 30, 1977, AND FUNDS HAD BEEN BUDGETED.
THE NEW 1977 GENERAL REVIEW SALARY SCALE BECAME EFFECTIVE
JULY 1, 1977. US SHARE AT 24.20 EQUALS BF 1,452,000
AT BF 31 TO US\$1 EQUALS \$46,839.

B. (1) THE FOLLOWING IS A SUMMARY OF THE CCG
FEBRUARY 23 DISCUSSION ON THE ADDITIONAL 20 PCT COL
ADVANCE FROM JANUARY 1, 1977. USOECD DEL WILL FURNISH
COMPLETE REPORT OF THE CCG MEETING ON HIS RETURN TO
PARIS O/A MARCH 6.

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(2) SINCE INSTRUCTIONS CONTAINED IN REF A WERE NOT
RECEIVED UNTIL NOON LOCAL TIME FEBRUARY 22 BECAUSE OF
NO PRECEDENCE INDICATOR, DISCUSSION OF REF B, DUTCH
COUNTER-PROPOSAL TO 20 PCT COL ADVANCE, POSTPONED UNTIL
FEBRUARY 23.

(3) AFTER CCG REJECTED THE DUTCH PROPOSAL, WHICH WOULD

HAVE GRANTED THE ADDITIONAL 20 PCT ONLY TO THOSE EMPLOYEES WHO HAD RECEIVED A FULL COL INDEX INCREASE ON JULY 1, UK DEL OPENED DISCUSSION ON THE ADDITIONAL 20 PCT BY STATING ORIGINAL DECISION WAS A COMPROMISE DECISION, REACHED AFTER CAREFUL DISCUSSION; THE FACT THAT 100 PCT GIVEN TO EC EMPLOYEES WAS NO REASON FOR CCG TO CHANGE ITS DECISION OF 80 PCT; EC B/C/D EMPLOYEES HAVE HAD A REDUCTION IN THEIR PURCHASING POWER, WHILE B/C NATO EMPLOYEES HAVE HAD NONE. UKG DOES NOT CONCEDE LINK TO EC. 133RD REPORT DOES AUTHORIZE AN ADVANCE, EVEN IF METHOD IS NOT PRECISE. UK CANNOT ACCEPT AUTOMATICITY OF SALARY OR COL INCREASES.

(4) AFTER US DEL REPORTED USG STOOD BY 80 PCT, THE DUTCH DEL STATED HIS GOVERNMENT COULD ACCEPT NO MORE THAN 80 PCT IF THE DUTCH PROPOSAL WERE NOT ACCEPTABLE TO BOTH SIDES OF TABLE.

(5) GERMAN AND ITALIAN DELS ADMITTED THEY WOULD HAVE GIVEN 100 PCT, BUT JOINED THE OTHER DELS IN REMAINING WITH 80 PCT.

(6) OECD ASYG RESPONDED THAT HE REGRETTED THE DECISION AND ADDED THAT THERE IS A LONG-STANDING GRIEVANCE AND MUCH BITTERNESS BECAUSE CCG STAFF NOT TREATED AS WELL AS THE EC EMPLOYEES. SECSGEN ARE PREPARING PROPOSAL FOR LIMITED OFFICIAL USE

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AN ADVANCE ON THE COST-OF-LIVING INDEX FOR LAST SIX MONTHS OF 1977 TO BE EFFECTIVE JANUARY 1, 1978, AND HE HOPED THE "LOWEST COMMON DENOMINATOR PRINCIPLE WILL NOT OPERATE."

(7) BOTH THE NATO AND OECD STAFF ASSOCIATION REPS SPOKE OF DIFFERING TREATMENT IN EC AND CCG; INCONSISTENT AND INCOMPATIBLE POSITIONS TAKEN BY GOVERNMENTS; THEY NOTED THAT THE DUTCH PROPOSAL WAS LACKING IN INTELLECTUAL VALUE AND DISCRIMINATED AGAINST STAFF; THAT MANY PROBLEMS ARISE BECAUSE OF LACK OF COORDINATION; THAT STAFF ASSOCIATIONS WOULD RECONSIDER THEIR POSITION CONCERNING COORDINATION; AND REPS ASKED THAT QUESTION OF 20 PCT REMAIN OPEN.

(8) NO REPRESENTATIVE HAVING INDICATED THE QUESTION SHOULD REMAIN OPEN, THE NATO STAFF ASSOCIATION REP SAID HE WAS MAKING A LAST-DITCH EFFORT FOR B/C GRADES AND ASKED IF GOVERNMENTS WOULD BE WILLING TO GRANT THE B/C STAFF THE 20 PCT COL INDEX ADVANCE.

(9) UK DEL EXPRESSED SURPRISE BECAUSE STAFF ASSOCIATION

REP HAD CRITICIZED DUTCH FOR SEPARATING GROUPS; HE SAID THIS REQUEST WAS THEREFORE ILLOGICAL AND UK WOULD NOT ACCEPT.

(10) DUTCH REP SAID THE STAFF ASSOCIATION REPRESENTATIVE'S PROPOSAL WAS AGAINST BASIC PRINCIPLES OF HOST COUNTRIES AND 133RD REPORT'S SYSTEM, AND WOULD BE THE BEGINNING OF THE END OF THE BEST EMPLOYERS OF THE HOST COUNTRY.

(11) GERMAN DEL ASKED IF THIS WERE THE NORMAL COMMITTEE PROCEDURE FOR A STAFF ASSOCIATION REP TO PRESENT PROPOSALS

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RATHER THAN THE SECSGEN.

(12) ASYG SAID HE WOULD HAVE TO OBTAIN VIEWS OF OTHER ORGANIZATIONS CONCERNING THE STAFF ASSOCIATION REP'S PROPOSAL.

(13) CHAIRMAN NOTED THAT HE WOULD PREPARE A REPORT TO COUNCILS THAT THE CCG IS NOT RECOMMENDING THAT THE ADDITIONAL 20 PCT COL ADVANCE EFFECTIVE JANUARY 1, 1977, BE GIVEN TO THE CCG EMPLOYEES.

C. BILATERAL DISCUSSIONS

(1) THERE HAS BEEN A CONTINUING REFERENCE BY THE SECSGEN AND STAFF ASSOCIATION REPRESENTATIVES TO THE TREATMENT ACCORDED THE EC EMPLOYEES. FOR THIS REASON, THE MISSION BELIEVES THAT THE DEPARTMENT MIGHT WISH TO HAVE BILATERAL CONTACTS NOT ONLY IN WASHINGTON WITH AN APPROPRIATE EMBASSY OFFICER, BUT ALSO IN THE CAPITALS WITH REPRESENTATIVES OF BOTH THE MINISTRY OF FOREIGN AFFAIRS

AND THE MINISTRY OF TREASURY OF EACH COUNTRY REPRESENTED
IN THE EUROPEAN COMMUNITY, TO EXPRESS THE CONCERN/DESIRE
OF THE USG THAT THE SAME OR SIMILAR SALARY/ALLOWANCE
ADJUSTMENT POLICIES BE FOLLOWED FOR BOTH THE EC AND THE
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CCG EMPLOYEES.

(2) SOME OF THE DELEGATES RECEIVE THEIR INSTRUCTIONS
FROM A MINISTRY OF TREASURY, OTHERS FROM A MINISTRY OF
FOREIGN AFFAIRS, WHICH ACCOUNTS FOR A LACK OF COORDINATION
IN THE CAPITALS CONCERNING EC AND CCG POLICY. THERE WILL
SHORTLY BE ANOTHER REQUEST FOR SALARY INCREASES IN THE
EC, AS WELL AS THE CCG JULY 1, 1978, GENERAL SALARY
REVIEW, WHICH PROMPTS THIS RECOMMENDATION FOR BILATERAL
DISCUSSIONS. IF THE DEPARTMENT CONSIDERED IT
APPROPRIATE, REPRESENTATION COULD ALSO BE MADE IN NATO TO
PERMREPS FROM EC CAPITALS, MAKING A THREE-PRONGED EFFORT.

D. ACTION REQUESTED: DEPARTMENT'S CONSIDERATION OF
PARAGRAPH C, ABOVE, AND GUIDANCE THEREON.GLITMAN

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